

MANUFACTURING EXTENSION PARTNERSHIP

Success Stories from the Field

Industrial Metal Supply Co.

California Manufacturing Technology Consulting

Industrial Metal Supply Achieves Iso 9002 Certification

Client Profile:

Industrial Metal Supply is a successful mill distributor and full line metal service center and retailer. Originally established in Burbank, California in 1948 as a family owned business, the company has grown to four facilities (Sun Valley, Irvine, San Diego, and Phoenix, Arizona) serving construction firms, manufacturers, the entertainment industry, and individual consumers. In 2002, the Sun Valley facility, which houses corporate headquarters, had 135 employees and approximated \$25,000,000 in annual sales.

Situation:

Industrial Metal Supply (IMS) started to implement ISO 9002, an international quality management system standard, across three of its facilities in 1996. The company encountered difficulty when it tried to implement the written quality manual, procedures, work instructions, and forms, and contacted the California Manufacturing Technology Center (CMTC), a NIST MEP network affiliate, in January of 1999 for assistance. IMS wanted to simplify its documentation and implement the system with the aim of improving operations and becoming one of the first companies in the industry to be registered to the ISO 9002 international standard. IMS realized that integrating this effort across three different facilities created too many problems and decided to focus on just the Burbank facility and corporate headquarters.

Solution:

In March 1999, CMTC conducted a gap analysis audit, reviewing existing quality system documentation and actual practices for gaps and redundancies with respect to the ISO 9002 standard. CMTC also assessed the overall effectiveness of the IMS quality system as a means to achieve its goals. CMTC worked with IMS executives to establish a project plan targeting a third-party registration to ISO 9002.

CMTC helped IMS rewrite and simplify its existing documentation to reflect the company's actual practices in such a way that it can be understood by all company personnel. IMS established cross-functional procedure teams, and CMTC gave them aggressive implementation training. CMTC conducted two-day Internal Auditor Training for 15 IMS personnel, and supported these employees as they conducted audits of the released procedures to ensure effective implementation. Managers and supervisors received team-based training in the proper use of the corrective action system. CMTC worked with the IMS

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management team to establish meaningful metrics that help them track improvements and conduct effective management reviews. Finally, CMTC helped IMS select an accredited third-party registrar to perform its final ISO audit. In May 2001, IMS achieved registration to ISO 9002.

Results:

Achieved ISO 9002 registration.

Reduced customer returns from 3.3 percent of gross sales in 2000 to 2.8 percent in 2001 and 2.6 percent in 2002.

Increased fill rate.

Improved workforce skills, internal communication, and teamwork.

Reduced variation in processes by standardizing documents and records.

Saved a total of \$294,900 in cost savings over the two years.

Yielding an 8:1 return-on-investment.

Testimonial:

"With assistance from the California Manufacturing Technology Center, we passed our ISO 9002 registration audit with ease. We continue to reap the benefits of this effort, including reduced customer returns amounting to almost \$295,000."

David Pace, Vice President/General Manager